

LEHMAN BROTHERS

EILEEN M. SULLIVAN
SENIOR VICE PRESIDENT

July 8, 2008
Revised September 11, 2008

Anshuman Goyal
5 East 22nd Street
16C
New York, NY 10010

Dear Anshuman:

On behalf of Lehman Brothers Inc. (the "Firm"), I am pleased to confirm our agreement on the terms of your compensation with respect to your management of one or more of the "FX Group Proprietary Portfolios" during the "Performance Period" (as both terms are defined in Exhibit A).

In investing and managing the an FX Group Proprietary Portfolio, you must comply with all investment guidelines and risk parameters as are decided upon by senior management of the Fixed Income Division of the Firm for managing the FX Group Proprietary Portfolios (including but not limited to restrictions on the amounts you are permitted to invest).

For performance year 2008 (December 1, 2007 through November 30, 2008) (the "First Performance Year"), your compensation will be as follows:

- For all periods of active employment by the Firm, an annualized base salary of \$200,000, payable in bi-weekly installments of \$7,692.31; and
- You will be notionally credited with a "Performance Bonus," which will be determined and payable on the terms and conditions set forth below.

The 2008 Performance Bonus will consist of two installments (the "First Installment" and the "Second Installment"). The First Installment will be equal to seventy-five percent (75%) of the 2008 Performance Bonus, less the salary paid to you with respect to the 2008 Performance Period. The Second Installment will be as defined in Exhibit A.

At the Firm's discretion, a portion of your total compensation for the Performance Year (including the full Performance Bonus) will be payable in conditional equity awards

LEHMAN BROTHERS INC.

745 SEVENTH AVENUE 8TH FLOOR NEW YORK, NEW YORK 10019 TELEPHONE 212 526 7341 FACSIMILE 646 758 1707

Anshuman Goyal
July 8, 2008, Revised September 11, 2008
Page 2 of 7

(restricted stock units, options, and/or other equity-based awards) pursuant to the Firm's Equity Award Program or other Firm-sponsored programs that may be established by the Firm from time to time and as then generally in effect for employees at your level. The terms and conditions of the Equity Award Program, including terms and conditions relating to vesting, exercisability, and forfeiture, or any other Firm-sponsored program will be established by the Firm from time to time in its discretion. With respect to your total compensation for the 2008 Performance Year only, the deferral and delivery schedule for the portion of your total compensation payable in conditional equity awards shall be as set forth in the attached Equity Award Schedule for employees with a 2008 Performance Bonus. With respect to your total compensation for the 2009 Performance Year only, the applicable deferral and delivery schedules will be provided to you no later than December 31, 2008, except that the attached Equity Award Schedule for employees with a 2008 Performance Bonus will also apply for your total compensation for the 2009 Performance Year if no revised schedule is provided to you by December 31, 2008. Except as outlined above with respect to the deferral and delivery schedules, all other terms and conditions of your 2008 and 2009 equity awards (for example, vesting, discount, and termination provisions) will be the same as those generally applicable to employees at your level who receive such awards.

The 2008 Performance Bonus will be payable as follows:

- The First Installment will be payable to you on or about the day the Firm pays its bonuses for the 2008 Performance Year (the "First Payout Date"), subject to the conditions set forth in this letter. The First Installment will be considered part of your total compensation for the 2008 Performance Year for purposes of the Equity Award Program.
- The Second Installment will be payable to you on or about the day the Firm pays its bonuses for the "2009 Performance Year" (December 1, 2008 through November 30, 2009), subject to the conditions set forth in this letter (the "Second Payout Date"). The Second Installment will be considered part of your total compensation for the 2009 Performance Year for purposes of the Equity Award Program, except as otherwise specifically provided in this letter.

If your employment ends before the First Payout Date, your entitlement to the 2008 Performance Bonus (if any) will be determined as follows:

- If you resign for any reason or are terminated by the Firm with Cause (as defined in Exhibit A), you will not receive any portion of the 2008 Performance Bonus.
- If your employment is terminated by the Firm without Cause or if you die or become disabled, you (or your estate) the full Performance Bonus will be paid on the First Payout Date, part in cash and part in conditional equity awards, and the disposition of the equity portion of such award shall be determined in accordance with the Equity Award Program as then in effect. You will be entitled to no additional payments in cash or equity.

Anshuman Goyal
July 8, 2008, Revised September 11, 2008
Page 3 of 7

If your employment ends after the First Payout Date but before the Second Payout Date, your entitlement to the 2008 Performance Bonus (if any) will be determined as follows:

- The Second Installment (if any) will be deemed part of your total compensation for the 2009 Performance Year and a portion of the Second Installment will be awarded to you in equity pursuant and subject to all the terms and conditions of the Equity Award Program, as set forth above.
- With respect to the cash balance (if any) of the Second Installment, the following terms will apply:
 - a. If your employment is terminated by the Firm with Cause, you will not receive the balance of the Second Installment.
 - b. If you resign or your employment is terminated by the Firm without Cause, or if you die or become disabled, you (or your estate) will receive an amount in cash equal to the balance of the Second Installment on the Second Payout Date.

All payments described in this letter will be subject to applicable payroll and income tax withholding and other applicable deductions. Except as specifically set forth in this letter, your compensation for all periods after the 2008 Performance Year will be determined at the Firm's discretion.

While the foregoing compensation commitments will be honored on the terms outlined above, this letter is not a contract of continuing employment. Your employment by the Firm is for no fixed term, and either you or the Firm may terminate the employment relationship at any time for any reason, subject to any applicable notice requirement. Currently, the Firm's notice policy requires officers of the Firm to provide 30 days' advance written notice of resignation, and provides for 30 days' advance notice by the Firm to its officers in the event of an involuntary termination under certain circumstances. As we discussed, you will retain in strictest confidence the existence and terms of this letter and will not disclose this letter or its terms to anyone other than your spouse, attorney or accountant, without the Firm's consent.

Your employment by the Firm will continue to be governed by standard Firm policies. By your signature below, you represent that you have and will maintain in good standing all applicable licenses and registrations. You and the Firm agree that any dispute arising out of or relating to your employment by the Firm or the terms of this letter will be submitted to arbitration pursuant to the terms of the constitution, by-laws, rules and regulations of FINRA (formerly the NASD).

This letter will be binding on the Firm and its successors and assigns. This letter represents the complete agreement of the parties with respect to your compensation with respect to an FX Group Proprietary Portfolio, and supersedes any prior agreements or understandings.

Anshuman Goyal
July 8, 2008, Revised September 11, 2008
Page 5 of 7

EXHIBIT A

The Performance Bonus is payable in two installments, as set forth in the letter to which this Exhibit A is attached. This Exhibit A defines the key concepts necessary to determine the Performance Bonus and the amount, if any, of the Second Installment.

I. Performance Bonus Calculation

"Performance Bonus" means a notional amount equal to the FX Group Portfolio Manager Performance Bonus Pool multiplied by a percentage determined in the sole discretion of senior management of the Firm's Fixed Income Division. If the Net Profit of the FX Group Proprietary Portfolios for the Performance Period is zero or less, the Performance Bonus will be zero.

"FX Group Portfolio Manager Performance Bonus Pool" means a notional amount equal to the Net Profit of the FX Group Proprietary Portfolios for the Performance Period, multiplied by the Performance Bonus Pool Percentage, which product will then be reduced by a sum equal to all or a portion (as determined by the Head of Global Rates in his/her reasonable discretion) of the total compensation of Portfolio Employees with respect to the First Performance Year. If the Net Profit of the FX Group Proprietary Portfolio for the First Performance Year is zero or less, the Performance Bonus will be zero.

"Performance Bonus Pool Percentage" means twelve percent (12%) with respect to Net Profit of the FX Group Proprietary Portfolios equal to or less than \$25,000,000 for the Performance Period and fourteen percent (14%) with respect to that portion of Net Profit exceeding \$25,000,000 for the Performance Period. For purposes of calculating the Recalculated FX Group Portfolio Manager Performance Bonus Pool (defined below), the "Performance Bonus Pool Percentage" means twelve percent (12%) with respect to Net Profit of the FX Group Proprietary Portfolios equal to or less than \$25,000,000 for the Performance Period and fourteen percent (14%) with respect to that portion of Net Profit exceeding \$50,000,000 for the Two-Year Performance Period.

"FX Group Portfolio Employees" means those employees, other than FX Group Eligible Portfolio Managers, working in support of the FX Group Proprietary Portfolios. The determination of which employees are working in support of the FX Group Proprietary Portfolios will be made by the Global Head of Global Rates in his/her reasonable discretion.

"FX Group Eligible Portfolio Managers" means such employees with responsibilities for managing the FX Group Proprietary Portfolios who, as of the First Payout Date, are eligible to receive a portion of the FX Group Portfolio Manager Performance Bonus Pool.

Anshuman Goyal
July 8, 2008, Revised September 11, 2008
Page 6 of 7

II. Second Installment Calculation

"Second Installment" means the lesser of (a) twenty-five percent (25%) of the Performance Bonus or (b) the Recalculated FX Group Portfolio Manager Performance Bonus Pool, multiplied by the Performance Bonus Pool Percentage, and then reduced by the amount of the First Installment.. If the aggregate Net Profit of the FX Group Proprietary Portfolios for the Two-Year Performance Period is a net loss (or zero), the Second Installment will be zero. Any "Second Installment" under this paragraph will be reduced by the amount, if any, that your paid salary for the First Performance Year exceeded the First Installment.

"Recalculated FX Group Portfolio Manager Performance Bonus Pool" means a notional amount equal to the Net Profit of the FX Group Proprietary Portfolios for the Two-Year Performance Period, multiplied by the Performance Bonus Pool Percentage, which product will then be reduced by a sum equal to all or a portion (as determined by the Head of Global Rates in his/her reasonable discretion) of the total compensation of Portfolio Employees with respect to the First Performance Year.

III. Net Profit Calculation

"Net Profit" means Gross Revenue, less brokerage and execution charges, net sales credits, short term interest carry, long term interest allocation, and Incremental Variable Expenses, along with any applicable Overhead Charge and Liquidation Factor.

"Gross Revenue" means the aggregate change in the daily mark to market of the FX Group Proprietary Portfolios, as calculated by the Firm's approved valuation models as they may change from time to time and other security prices as specified in the Firm's books and records, less appropriate reserve amounts, all as determined from time to time by the Head of the Global Rates in his/her reasonable discretion, expressed in U.S. dollars pursuant to the Firm's standard methodology or in the reasonable discretion of the Head of the Global Rates.

"Incremental Variable Expenses" means travel and entertainment, legal, discretionary systems and technology expenses related to the FX Group Proprietary Portfolio, as determined by the Head of Global Rates in his/her reasonable discretion, expressed in U.S. dollars pursuant to the Firm's standard methodology or in the reasonable discretion of the Head of Global rates.

"Liquidation Factor" means a reduction to the aggregate change in the daily mark to market to reflect the estimated costs associated with liquidating any part of the FX Group Proprietary Portfolio following your separation from the Firm's employment, death or

Anshuman Goyal
July 8, 2008, Revised September 11, 2008
Page 7 of 7

disability (whether or not any such liquidation later occurs), all as determined by the Head of Global Rates in his/her reasonable discretion.

"Overhead Charge" means \$0 for the Performance Period and \$0 for the Two-Year Performance Period.

IV. Other Definitions

"FX Group Proprietary Portfolios" means such derivative and government transactions and associated hedge, financing and other transactions as are approved and designated for inclusion for purposes of this calculation by the manager of Fixed Income Global Rates Business or such other person as may be designated by senior management of the Firm's Fixed Income Division.

"Cause" means misconduct material to your employment, material breach of Firm policies or rules, violation of any investment guidelines or risk parameters for managing the FX Group Proprietary Portfolios, dishonesty related to your employment, violation of laws or regulations material to your employment, failure to maintain in good standing all licenses and registrations applicable to your position, gross negligence or repeated or persistent failure to follow the Firm's reasonable directives.

"Performance Period" means the portion of the First Performance Year that you are actively employed by the Firm as contemplated by this letter.

"Two-Year Performance Period" means the period beginning on the first day of the Performance Period and ending on the last day of the Second Performance Year that you are actively employed by the Firm as contemplated by this letter.